

MINUTE ITEM

15. REQUEST FOR APPROVAL OF SPECIFICATIONS AND FORMS FOR THE PURPOSE OF INVITING BIDS IN CONNECTION WITH SITE PREPARATION AND THE DRILLING OF WATER-INJECTION WELLS INTO THE TAR, RANGER AND LOWER TERMINAL ZONES OF FAULT BLOCK V AND FAULT BLOCK VI, WILMINGTON OIL FIELD - L.B.W.O. 10,140.

After consideration of Calendar Item 26 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE COMMISSION APPROVES THE SPECIFICATIONS AND FORMS SUBMITTED BY THE CITY OF LONG BEACH FOR THE PURPOSE OF INVITING BIDS IN CONNECTION WITH THE WELL SITE PREPARATION (HD 643) AND FOR THE DRILLING OF SPECIFIED WATER-INJECTION WELLS (HD 639) INTO THE TAR, RANGER AND LOWER TERMINAL ZONES OF FAULT BLOCKS V AND VI, WILMINGTON OIL FIELD.

Attachment

Calendar Item 26 (1 page)

CALENDAR ITEM

26.

REQUEST FOR APPROVAL OF SPECIFICATIONS AND FORMS FOR THE PURPOSE OF INVITING BIDS IN CONNECTION WITH SITE PREPARATION AND THE DRILLING OF WATER-INJECTION WELLS INTO THE TAR, RANGER AND LOWER TERMINAL ZONES OF FAULT BLOCK V AND FAULT BLOCK VI, WILMINGTON OIL FIELD - L.B.W.O. 10,140.

The Harbor Department of the City of Long Beach has submitted for approval by the State Lands Commission specifications, proposed contracts and notices inviting bids providing for site preparation and for the drilling of specified water-injection wells into the Tar, Ranger and Lower Terminal Zones of Fault Block V and Fault Block VI.

Specific approval is requested for the drilling of six water-injection wells, all bottomed in Parcel "L", and site preparation for four of the wells to be surfaced in Parcel "L". Two wells will be surfaced in Long Beach Oil Development Parcel "J".

At the present time, Parcel "L" is not under development for the production of oil and gas. In order that the injection wells may be bottomed in Parcel "L", it will be necessary that the City contract for the drillsite preparation and drilling of said wells. After drilling of the injection wells, it will be necessary for the city to contract for the operation and maintenance of said wells until such time as Parcel "L" may be committed to a unit operation.

The proposed injection wells to be drilled into Parcel "L" will result in reservoir pressure restoration in Parcel "L" and in developed tideland parcels in Fault Block V and Fault Block VI. The line of existing Ranger Zone injection wells completed in developed areas and those proposed in Parcel "L" assure a reasonable balance of any fluid migration across the Parcel "L" boundary. The Tar and Lower Terminal Zones underlying Parcel "L" in Fault Block V and Fault Block VI are considered marginal and possibly do not contain oil in quantities that would warrant productive development expenditures. It is anticipated that any entrapped oil will be recovered from existing tideland operating contracts under the proposed waterflood program.

The office of the Attorney General has reviewed the specifications and documents for the purpose of inviting bids on the proposed drillsites and drilling contracts and finds them to be legally sufficient.

IT IS RECOMMENDED THAT THE COMMISSION APPROVE THE SPECIFICATIONS AND FORMS SUBMITTED BY THE CITY OF LONG BEACH FOR THE PURPOSE OF INVITING BIDS IN CONNECTION WITH THE WELL SITE PREPARATION (HD 643) AND FOR THE DRILLING OF SPECIFIED WATER-INJECTION WELLS (HD 639) INTO THE TAR, RANGER AND LOWER TERMINAL ZONES OF FAULT BLOCKS V AND VI, WILMINGTON OIL FIELD.